

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 7669**

**BILL NUMBER: HB 1733**

**NOTE PREPARED: Jan 10, 2005**

**BILL AMENDED:**

**SUBJECT:** Property tax replacement and homestead credits.

**FIRST AUTHOR:** Rep. Espich

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**      **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** Pending

**Summary of Legislation:** Requires the budget agency to prepare a revenue forecast as part of the budget preparation process and update it at least annually. Limits the total amount of property tax replacement credits (except for credits granted for certain welfare and school levies) and homestead credits that may be granted in a year to 8.5% of the total recurring unrestricted state general fund and property tax replacement fund revenue forecast for the year by the budget agency. Makes a similar limitation on the amount that may be distributed to local taxing units to replace revenue lost from the granting of property tax credits. Eliminates all homestead credits for that part of the tax liability imposed on a homestead that is attributable to an assessed valuation of more than \$250,000. Adjusts the \$250,000 cap each time that an annual adjustment in the assessment or general reassessment occurs.

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:** *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:**

**Information Sources:**

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